

AT A SPECIAL MEETING OF THE BOARD OF SUPERVISORS OF THE COUNTY OF MONTGOMERY, VIRGINIA HELD ON THE 4TH DAY OF MARCH, 2013 AT 5:30 P.M. IN THE BOARD CHAMBERS, MONTGOMERY COUNTY GOVERNMENT CENTER, 755 ROANOKE STREET, CHRISTIANSBURG, VIRGINIA:

PRESENT:	James D. Politis	-Chair
	William H. Brown	-Vice Chair
	Mary W. Biggs	-Supervisors
	Gary D. Creed	
	Matthew R. Gabriele	
	Annette S. Perkins	
	Christopher A. Tuck	
	F. Craig Meadows	-County Administrator
	Martin M. McMahon	-County Attorney
	Angie Hill	-Financial & Management Services Director
	Marc Magruder	-Budget Manager
	Ruth Richey	-Public Information Officer
	Vickie L. Swinney	-Secretary, Board of Supervisors
ABSENT:	L. Carol Edmonds	-Deputy County Administrator

CALL TO ORDER

The Chair called the meeting to order.

INTO WORK SESSION

On a motion by Matthew R. Gabriele, seconded by William H. Brown and carried unanimously,

BE IT RESOLVED, The Board of Supervisors hereby enters into Work Session for the purpose of discussing the following:

1. FY 2013-2014 Budget Presentation

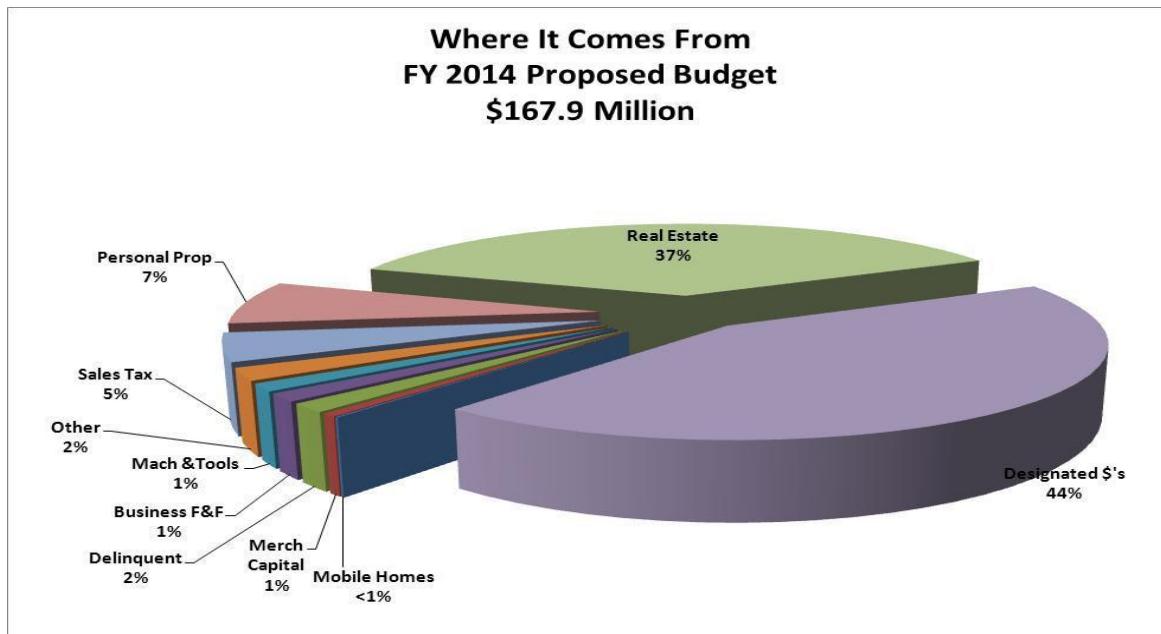
The vote on the forgoing motion was as follows:

<u>AYE</u>	<u>NAY</u>
Gary D. Creed	None
Annette S. Perkins	
William H. Brown	
Mary W. Biggs	
Christopher A. Tuck	
Matthew R. Gabriele	
James D. Politis	

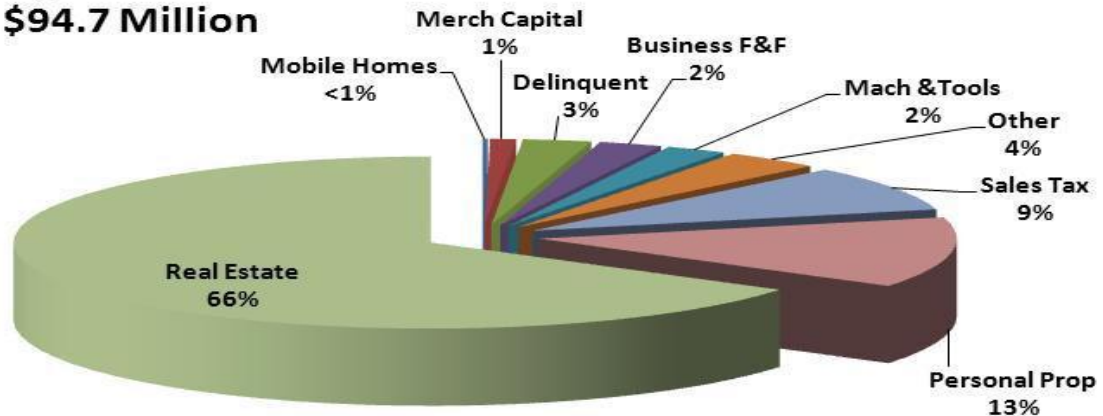
FY 2013-2014 Budget Presentation

The County Administrator presented the County's FY 2014 Proposed Budget. The total proposed budget is \$167.9 million, which is a \$4.5 million increase over FY 13 or a 2.8% increase. The County Administrator is proposing an 89 cents real estate tax rate, which represents a 2 cent increase and a proposed personal property tax rate of \$2.55/100, which is a 10 cent tax rate increase. The proposed increase in the real estate tax rate and personal property tax rate will generate \$1.9 million. The County is anticipating \$2.8 million in new growth.

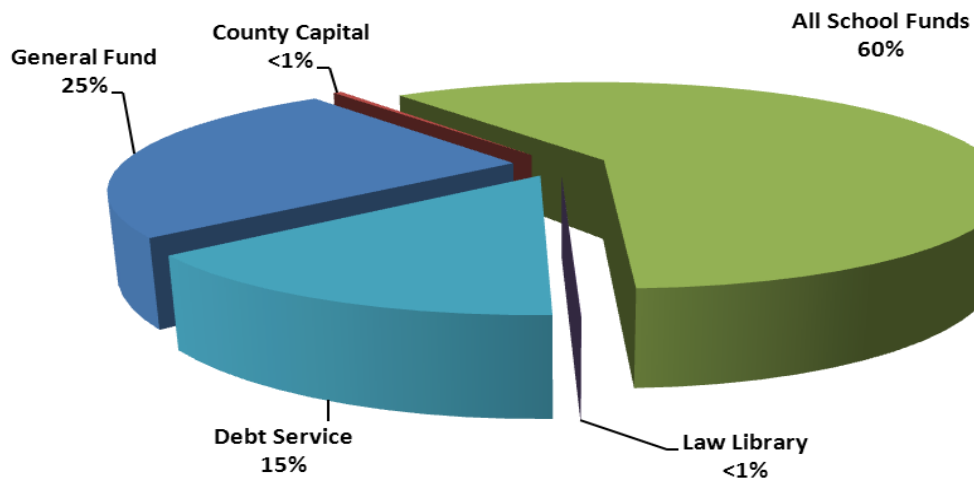
The County Administrator provided an explanation of the County's revenue in the following charts:



Undesignated Revenue \$94.7 Million



Where It Goes FY 2014 Proposed Budget \$167.9 Million



Where the tax rate increase and growth dollars go:

- Real Estate 2 Cents = \$1.4 million
\$1.4 million earmarked for School Capital
- Personal Property Increase 10 Cents = \$0.5 Million
\$0.5 million for school operations
- Growth Dollars = \$2.4 million (\$0.4 million for Economic Development Authority)
\$1.7 million for school operations
\$0.7 million for County General Fund needs
- State Dollars = \$0.9 million
\$0.6 million for school operations
\$0.3 million for County General Fund needs

Rationale for Personal Property Tax Increase:

- Why propose an increase in the personal property tax rate?
In the past we could not increase the rate due to the PPTRA policy of not increasing the rate on the first \$20,000 value of a qualifying vehicle. This no longer applies since the state is giving a fixed dollar amount of relief.
- The rate has not been increased since 1994.
- Increasing the personal property rate spreads the tax burden - some residents do not own real property.
- The proposed tax increase on a \$20,000 vehicle (after relief is applied) is approximately \$20 per year.

School Increases:

- School Operating Fund – \$2.8 million in new funding
\$2.2 million in additional County funds for school operations (\$1.7 million from new growth and \$0.5 million from the Personal Property Tax Rate increase)
\$0.6 million added in new state funding
- School Capital Construction
\$1.4 million in additional County funds for school capital needs (2 cent real estate tax rate increase)

County General Fund Increases:

Public Safety: Total Public Safety Increases = \$419,323

- \$60,000 added for the cost of the regional jail
- \$36,000 added for ammunition and body armor
- \$10,000 added for Sheriff uniform replacements
- \$28,000 added for Sheriff vehicle replacements
- \$16,578 added for Sheriff training
- \$41,468 added for air conditioners at the jail
- \$70,752 added to the jail food budget
- \$80,000 added for Fire and Rescue
- \$76,525 added for the 911 authority

One penny of the real estate tax rate (\$700,000) is still earmarked for fire and rescue capital equipment.

New Positions: - Total \$223,380

- Added a Communications Specialist = \$62,311
To manage the County and Schools websites and be the social media presence for the County and Schools.
- Added a Business Auditor = \$69,033
To work in conjunction with the Finance Department and the Commissioner of the Revenue's Office to improve the County's revenue generation and collection processes – this will include the proration of personal property.
- Unfreeze Finance Manager = \$75,036
This position is being added back to provide the skills necessary to address additional financial reporting and auditing functions recently added to Finance Department, including the New River Valley Regional Communications Authority and the tourism program.
- Added a Half-time Admin. Position for Econ. Dev. = \$17,000
This is a non-classified half-time administrative position to assist the department in daily workload demands. Economic Development has a frozen full-time program assistant position. The half-time position will be added in lieu of unfreezing the full-time position.

Other Increases: Total \$1.3 million

- \$17,282 to increase the County health clinic hours by four hours per week.
- \$14,573 is added to increase the technology infrastructure of the Library.
- \$35,475 is added to the Registrar to replace poll books and begin the process of replacing the County's touch screen voting machines.
- \$52,600 is added to General Contingencies to bring the contingency fund to 1% of the General Fund budget.
- \$625,000 is added for health insurance increases – based on an estimated worst case scenario.
- \$500,000 is added to address compensation issues for County employees.
- \$16,729 Outside Agency Increases

Next Steps

Establish Advertised Tax Rate and Budget – Must establish the rate and budget by March 11, 2013 to meet the deadline for the Public Hearing.

Hold Public Hearing on the Tax Rate and Budget – scheduled for March 26, 2013 at 6:00 p.m.

Set Tax Rate – Scheduled for April 15, 2013 at 6:00 p.m.

Adopt the Budget – Scheduled for April 15, 2013 at 6:00 p.m.

Board members asked for more clarification regarding the additional state funding of \$600,000 to the Schools. The County Administrator explained that approximately \$400,000 of the \$600,000 is mandated to be used to cover the 2% teacher salary increase as outlined in Governor McDonnell's budget. If the School Board decides not to give the 2% raise then Montgomery County will not be eligible to receive the \$400,000. As reported in the past, the State is only covering certain school positions, not all school employees.

OUT OF WORK SESSION

On a motion by Annette S. Perkins, seconded by William H. Brown and carried unanimously,

BE IT RESOLVED, The Board of Supervisors ends their Work Session to return to Regular Session.

The vote on the forgoing motion was as follows:

<u>AYE</u>	<u>NAY</u>
Annette S. Perkins	None
William H. Brown	
Mary W. Biggs	
Christopher A. Tuck	
Matthew R. Gabriele	
Gary D. Creed	
James D. Politis	

ADJOURNMENT

The Chair declared the meeting adjourned to Monday, March 11, 2013 at 6:00 p.m. The meeting adjourned at 6:30 p.m.

APPROVED _____	ATTEST: _____
James D. Politis	F. Craig Meadows
Chair	County Administrator